



DEPARTMENT OF VETERANS AFFAIRS

Regional Office

3333 N. Central Avenue

Phoenix, AZ 85012-2436

Website: <http://www.vba.va.gov/phoenixlgy/index.htm>

January 3, 2005

Loan Guaranty Information Bulletin No. 26-05-02

SUBJECT: **PAID IN FULL LOANS**

Purpose

When a loan guaranteed by the Department of Veterans Affairs (VA) is satisfied by payment or otherwise, it must be reported in writing to the VA Regional Loan Center having jurisdiction. Failure to report promptly will create a hardship on veterans who are attempting to have their VA entitlement restored.

Reporting Requirements

When guaranty is evidenced by a Loan Guaranty Certificate (VA Form 26-1899), the Certificate should be endorsed "Paid in Full," dated, signed by an authorized officer of the holder, and returned to VA. An official stamped facsimile signature or symbol is also acceptable.

In cases where the guaranty is evidenced by a VA endorsement of the note or other evidence of indebtedness, the endorsement should be canceled and VA notified.

Investors, or other servicing agents, should report the payment in full of Vendee Loans purchased from VA. Notification should be in letter form showing the VA loan number (SH prefix), name(s) of obligors(s), property address and date paid in full.

Our Request

We ask that you review your portfolio to determine that all "Paid in Full" loans under our jurisdiction (Arizona, Nevada, and California) have been reported to the Phoenix Regional Loan Center. We also request your cooperation in ensuring that future "Paid in Fuls" are reported promptly.

/Signed/

ROBERT JOHNSON
Loan Guaranty Officer

DISTRIBUTION: All Lenders